

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE HERLEY INDUSTRIES INC.
SECURITIES LITIGATION

CIVIL ACTION

No. 06-2596 (JRS)

CLASS ACTION

SECTION 10 (b) VERDICT FORM FOR DEFENDANTS
HERLEY INDUSTRIES, INC AND LEE BLATT

Section 10(b) Claims against Herley Industries, Inc.

1. Do you find by a preponderance of the evidence that Herley Industries, Inc. made a misstatement of fact, or omitted a fact in its public statements to investors during the class period?

Yes _____ No _____

If you answered “No,” then stop. Your deliberations have concluded. If you answered “Yes,” then proceed to the next question.

2. Do you find by a preponderance of the evidence that the particular misstatement or omission of a fact by Herley Industries, Inc. in its public statements was material?

Yes _____ No _____

If you answered “No,” then stop. Your deliberations have concluded. If you answered “Yes,” then proceed to the next question.

3. Do you find by a preponderance of the evidence that Herley Industries, Inc. acted with the legal intent to deceive, manipulate, or defraud investors, which is known as scienter?

Yes _____ No _____

If you answered “No,” then stop. Your deliberations have concluded. If you answered “Yes,” then proceed to the next question.

4. Do you find by a preponderance of the evidence that Plaintiff justifiably relied on the misrepresentation or omission of a material fact by Herley?

Yes _____ No _____

If you answered “No,” then stop. Your deliberations have concluded. If you answered “Yes,” then proceed to the next question.

5. Do you find by a preponderance of the evidence that there exists a causal connection between Herley’s material misrepresentation or omission and the Plaintiff’s loss?

Yes _____ No _____

If you answered “No,” then stop. Your deliberations have concluded. If you answered “Yes,” then proceed to the next question.

Section 10(b) Claims Against Defendant Lee Blatt

6. Do you find by a preponderance of the evidence that Lee Blatt. made or caused to be made a misstatement of fact, or did he omit or caused to be omitted a fact in Herley Industries, Inc's public statements to investors during the class period?

Yes ____ No ____

If you answered "No," then stop, as your deliberations on Plaintiffs claim against Mr. Blatt under Section 10(b) have concluded.

If you answered "Yes," then proceed to the next question.

7. Do you find by a preponderance of the evidence that this misstatement or omission caused by Lee Blatt was material?

Yes ____ No ____

If you answered "No," then stop, as your deliberations on Plaintiffs claim against Mr. Blatt under Section 10(b) have concluded.

If you answered "Yes," then proceed to the next question.

8. Do you find by a preponderance of the evidence that Lee Blatt acted with the legal intent to deceive, manipulate, or defraud investors, which is known as scienter?

Yes _____ No _____

If you answered “No,” then stop, as your deliberations on Plaintiffs claim against Mr. Blatt under Section 10(b) have concluded.

If you answered “Yes,” then proceed to the next question.

9. Do you find by a preponderance of the evidence that Plaintiff justifiably relied on Blatt’s misrepresentation or omission of a material fact?

Yes _____ No _____

If you answered “No,” then stop. Your deliberations on Plaintiffs claim against Mr. Blatt under Section 10(b) have concluded.

If you answered “Yes,” then proceed to the next question.

10. Do you find by a preponderance of the evidence that there exists a causal connection between Blatt’s material misrepresentation or omission and the Plaintiff’s loss?

Yes _____ No _____

If you answered “No,” then stop. Your deliberations on Plaintiffs claim against Mr. Blatt under Section 10(b) have concluded.

If you answered “Yes,” then proceed to the next question.

11. If you find that Plaintiff has proven each of the elements of a Section 10(b) claim by a preponderance of the evidence against Herley Industries, Inc. or Lee Blatt, please state the percentage of responsibility (out of a total of 100%) that each Defendant contributed to the violation measured as a percentage of all persons who caused or contributed to the plaintiff's loss. You should not allocate any percentage of responsibility to a Defendant who did not violate Section 10(b). The total of all percentages must be 100%.

Person	Percentage of Responsibility
Lee Blatt	_____ %
Herley Industries, Inc.	_____ %
Total	_____ %

IF YOU FOUND THAT EITHER LEE BLATT OR HERLEY COMMITTED A 10(B) VIOLATION, PLEASE MOVE ON TO THE VERDICT FORMS FOR SECTION 20(A) OF THE SECURITIES AND EXCHANGE ACT OF 1934. IF YOU FIND THAT NEITHER HERLEY NOR BLATT VIOLATED SECTION 10(B), THAN YOU MUST FIND AGAINST PLAINTIFFS AND FOR DEFENDANTS HERLEY, BLATT, LEVY, GAREFINO, GILBOY AND KELLEY UNDER SECTION 20(A).

Jury Foreperson